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C O N F I D E N T I A L AIT TAIPEI 000089

STATE FOR EAP/TC  
STATE PASS USTR FOR STRATFORD AND ALTBACH, TREASURY FOR  
OASIA/WINSHIP AND JEWELL, NSC FOR LOI, COMMERCE FOR  
4431/ITA/MAC/AP/OPB/TAIWAN, USDA FOR FAS/OSTA BLUM, BEAN,  
AND DAWSON; FAS/OCRA RADLER, BURDETT, AND  
ANDERSON-SPRECHER; FAS/OFSO SALLYARDS; APHIS/IS AND VS; AND  
FSIS/HARRIES

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TAGS: ECON ETRD EAGR PGOV PREL TW

SUBJECT: TAIWAN DEVELOPS "ACTION PLAN" TO SUPPORT U.S. BEEF  
IMPORTS

Classified By: Bill Stanton, AIT Director, for reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: In a January 2010 meeting with the Deputy Director, Ministry of Economic Affairs Vice Minister Francis Liang unveiled an interagency "Action Plan" designed to facilitate all U.S. beef imports now allowed by Taiwan law, repair damage done to consumer confidence in U.S. beef safety, and blunt ongoing NGO efforts to make the bilateral beef protocol the subject of a national referendum. The Deputy Director stressed the importance of ensuring effective strategies to restore the reputation of U.S. beef and facilitate the smooth flow of beef imports for which expanded access remains in place. END SUMMARY.

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Participants  
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¶2. (SBU) The meeting took place on January 21, 2010, at the Ministry of Economic Affairs (MOEA). Vice Minister of Economic Affairs and Office of Trade Negotiations (OTN) Chief Negotiator Francis Liang was accompanied by OTN Deputy Chief Negotiator Jen-ni Yang. The Deputy Director was joined by AGR and ECON Chiefs.

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Taiwan Develops Beef "Action Plan"  
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¶3. (SBU) Stressing that Taiwan wanted to ensure "maximum market access opportunities" for U.S. beef products, Liang provided copies of an "Action Plan for Taiwan's Management of Beef Imports from the United States," an "Overview of Beef Issues Between the U.S. and Taiwan," and "Quarantine Food Safety Inspection Procedures for the Importation of U.S. Beef and Beef Products." (NOTE: TECRO and OTN visitors will present all three documents to Washington agencies, and we have also e-mailed the texts to the interagency group.) Yang noted that the "Action Plan" was the result of an interagency initiative chaired by National Security Council (NSC) Deputy Secretary General Ho Szu-yin, and included the Department of Health, the Council of Agriculture, and the Ministries of Economic Affairs, Foreign Affairs, and Education, among

others.

¶4. (C) Liang described the Action Plan's priorities as facilitating "legitimate" beef imports "without disruption," rebuilding consumer confidence in U.S. beef, and dampening an NGO coalition drive to make the beef protocol the subject of a public referendum. OTN, he explained, would coordinate the interagency response to any U.S. concerns over beef imports. In addition, the Ma administration would undertake public education activities to highlight the safety of U.S. beef.

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Restoring Public Confidence in U.S. Beef  
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¶5. (SBU) The Deputy Director deplored the "regrettable" pillorying of U.S. beef safety in the Taiwan media, and stressed that much remained to be done to repair damage done to public confidence in U.S. beef products. Liang observed that the U.S. beef industry should have the last word in determining which public relations strategies would be most effective, while noting that Taiwan would also employ "professional help" to assist these public relations efforts. Most public concerns focused on ground beef and internal organs, he added, and Taiwan had very few voices questioning the safety of U.S. bone-in beef or calling for a ban on all bone-in products. Citing 2008 data, Liang observed that U.S. beef (all deboned) enjoyed a 35% share of Taiwan's market when measured by value, higher than any other source. Liang said the potential growth of the U.S. bone-in beef market in Taiwan was huge.

¶6. (C) According to Liang, the Ma administration was going to approach local officials in Taipei, Taichung, and Chiayi to discourage use of misleading public campaigns disparaging the safety of U.S. beef products. DDIR and AGR Chief outlined U.S. Meat Export Federation (MEF) plans to host a February 5 public lunch event, attended by the Director, which would showcase U.S. bone-in beef. In response, Liang said he would encourage both MOEA Minister Shih and Department of Health Minister Yaung to attend and help underscore the Ma administration's public support for U.S. beef imports.

¶7. (C) COMMENT: Although clearly an effort at damage control, Taiwan's "Action Plan" is a welcome attempt to expand the domestic market for U.S. beef by facilitating bone-in beef imports and working to restore consumer confidence in the safety of U.S. beef products. We will continue to monitor bone-in beef import procedures and the related administrative measures now termed by Taiwan authorities as the "three controls and five checks." At the same time, we will coordinate with industry and the authorities on effective public outreach campaigns and U.S. beef promotional activities. In addition, on July 21, the Director sent a letter to Taipei Mayor Hau Lung-bin urging him to halt his campaign requiring vendors of beef to display a sign indicating that allegedly risky U.S. beef products are not served. END COMMENT.

STANTON